

November 30, 2007

Honorable Lori Parrish, Property Appraiser and Holly Cimino, Director of Finance, Budget and Tax Roll Management and The Board of Commissioners
Property Appraiser, Broward County

We have audited the special-purpose financial statements of the Property Appraiser, Broward County for the year ended September 30, 2007, and have issued our report thereon dated November 30, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our contract with Broward County dated October 11, 2005, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Property Appraiser, Broward County. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of the Property Appraiser, Broward County's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 1, 2007.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Property Appraiser, Broward County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during September 30, 2007. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Property Appraiser does not have any particularly sensitive accounting estimates.



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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2007.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Property Appraiser and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rachlin Cohen & Holtz LLP

**PROPERTY APPRAISER,
BROWARD COUNTY**

SPECIAL-PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

**PROPERTY APPRAISER,
BROWARD COUNTY**

FISCAL YEAR ENDED SEPTEMBER 30, 2007

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Lori Parrish
Property Appraiser
Broward County, Florida

We have audited the accompanying special-purpose financial statements of the Property Appraiser, Broward County, as of and for the year ended September 30, 2007 as listed in the table of contents. These financial statements are the responsibility of Property Appraiser, Broward County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The special-purpose financial statements referred to above were prepared for the purpose of complying with rules and regulations of the Auditor General, State of Florida, on the basis of presentation described in Note 1, and are not intended to present the financial position of Broward County, Florida and the results of its operations in accordance with accounting principles generally accepted in the United States.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser, Broward County as of September 30, 2007, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

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Property Appraiser
Broward County, Florida
Page Two

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2007 on our consideration of the Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information on page 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Rachleim Cohen & Holtz LLP

Fort Lauderdale, Florida
November 30, 2007

**PROPERTY APPRAISER,
BROWARD COUNTY**

BALANCE SHEET - GENERAL FUND

SEPTEMBER 30, 2007

ASSETS

Cash	\$3,449,990
Accounts receivable	<u>587</u>
Total assets	<u>\$3,450,577</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable and accrued expenses	\$ 292,838
Due to Board of County Commissioners	5,845
Excess commissions collected in advance	3,151,894
Fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$3,450,577</u>

**PROPERTY APPRAISER,
BROWARD COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2007

Revenues:	
Commissions from taxing authorities	\$ 19,611,616
Less unexpended portion	(91,872)
Other	<u>500,930</u>
Total revenues	<u>20,020,674</u>
Expenditures:	
Current:	
Salaries and benefits	15,522,482
Personal services - temporary	22,364
Operating expenditures	3,720,396
Capital outlay	<u>755,432</u>
Total expenditures	<u>20,020,674</u>
Net change in fund balance	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u>\$ -</u>

**PROPERTY APPRAISER,
BROWARD COUNTY**

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Property Appraiser is an elected official in Broward County, Florida (the County) who is responsible for appraising all properties in the County and for maintaining the County's tax rolls. The Broward County Property Appraiser's Office (the Appraiser) is part of the oversight entity of Broward County.

The special-purpose financial statements presented include the General Fund of the Appraiser's office. The accompanying special-purpose financial statements were prepared for the purpose of complying with Section 10.557, Rules of the Auditor General for Local Government Entity Audits, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States. Pursuant to Florida Statutes, the Appraiser's special-purpose financial statements are included in the financial statements of the County.

The following is a summary of the more significant accounting policies used in the preparation of these special-purpose financial statements:

Basis of Presentation

Fund Financial Statements – The fund financial statements provide information about the Appraiser's General Fund. The General Fund, a governmental fund, is used to account for all financial resources applicable to the general operations of the Appraiser.

Basis of Accounting and Measurement Focus

Governmental Fund Financial Statements – The general fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Appraiser considers all revenues reported to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**PROPERTY APPRAISER
BROWARD COUNTY**

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Acquisitions of tangible personal property are recorded as capital outlay expenditures in the General Fund at the time of purchase. Tangible personal property used in the operations of the Appraiser's office is recorded in the property records of the Board of County Commissioners (the Board). Office space used in the Appraiser's operations is provided at no cost by the Board and various municipalities within the County.

Compensated Absences

Employees accumulate vacation and sick pay based on the number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave. The cost of vested vacation and sick pay benefits is recognized when payments are made to employees using the modified accrual basis of accounting. It is the Appraiser's policy that a maximum of fifteen (15) vacation days can be carried forward into the next calendar year. Any accrued vacation balances that exceed fifteen (15) days on December 31 of each year will be forfeited.

Budgetary Requirements

The Appraiser prepares an annual operating budget for its General Fund which is reflected as amended in these financial statements. The Appraiser's budgeting process is based on estimates of revenue and expenditures and requires that all budgets be approved by the State of Florida, Department of Revenue and then by the Board after a public hearing is held. Subsequent amendments to the budget, if any, are approved by the State of Florida, Department of Revenue and the Board. Budgets are prepared on the same basis of accounting as required for governmental fund types. Expenditures may exceed the approved budget amounts for individual categories as long as the total does not exceed the approved budget. Any ending fund balances are carried forward as an advance against the subsequent year's approved budget.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

**PROPERTY APPRAISER
BROWARD COUNTY**

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Continued)

NOTE 4. RETIREMENT PLAN (Continued)

Funding Policy

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial cost method. If an unfunded actuarial liability reemerges as a result of future plan benefit changes, assumption changes, or methodology changes, it is assumed any unfunded actuarial liability would be amortized over 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated that future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

Benefits

Benefits are computed on the basis of age and/or years of service, average final compensation, and service credit. Average final compensation is the average of the five highest fiscal years of earnings. The FRS provides vesting of benefits after six years of creditable service for all members. Early retirement may be taken anytime after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A state statute establishes benefits.

FRS issues an annual financial report. A copy can be obtained by sending a written request to:

Division of Retirement
Cedars Executive Center
2639 North Monroe Street, Building C
Tallahassee, FL 32399-1560

Contributions

The Appraiser's required contribution rate is established by State statute. Contribution rates ranged from 6.28% to 17.54% of covered payroll based on employee class. The required contribution by the Appraiser to the FRS for the fiscal year ended September 30, 2007 was approximately \$1,152,300 compared to \$870,300 for the fiscal year ended September 30, 2006, and \$645,000 for the fiscal year ended September 30, 2005. This represents an average contribution of approximately 9.44% in fiscal year 2007, 8.24% in fiscal year 2006, and 7.99% in fiscal year 2005. The Appraiser has met all contribution requirements for the current year and the two preceding years.

**PROPERTY APPRAISER,
BROWARD COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2007

**PROPERTY APPRAISER,
BROWARD COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Commissions from taxing authorities	\$20,771,571	\$22,671,638	\$19,611,616	\$(3,060,022)
Less unexpended portion	-	-	(91,872)	(91,872)
Other	-	-	500,930	500,930
Total revenues	<u>20,771,571</u>	<u>22,671,638</u>	<u>20,020,674</u>	<u>(2,650,964)</u>
Expenditures:				
Current:				
Salaries and benefits	16,383,145	16,383,145	15,522,482	860,663
Personal services - temporary	59,000	59,000	22,364	36,636
Operating expenditures	4,329,426	4,941,561	3,720,396	1,221,165
Capital outlay	-	1,287,932	755,432	532,500
Total expenditures	<u>20,771,571</u>	<u>22,671,638</u>	<u>20,020,674</u>	<u>2,650,964</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMPLIANCE SECTION

**Report of Independent Certified Public Accountants on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Lori Parrish
Property Appraiser
Broward County, Florida

We have audited the special-purpose financial statements of the Property Appraiser, Broward County (the Appraiser) as of September 30, 2007 and for the year then ended, and have issued our report dated November 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the special-purpose basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Property Appraiser's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Property Appraiser's financial statements that is more than inconsequential will not be prevented or detected by the Property Appraiser's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Property Appraiser's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Property Appraiser, Board of County Commissioners and regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Rachlen Cohen + Holtz LLP

Fort Lauderdale, Florida
November 30, 2007

Management Letter in Accordance with the Rules of the Auditor General

Honorable Lori Parrish
Property Appraiser
Broward County, Florida

We have audited the special-purpose financial statements of the Property Appraiser, Broward County (the Appraiser) as of and for the year ended September 30, 2007, and have issued our report thereon dated November 30, 2007. We conducted our audit in accordance with United States generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in this report, which is dated November 30, 2007, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Property Appraiser complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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Honorable Lori Parrish
Property Appraiser
Broward County, Florida
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Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser was incorporated by Laws of Florida, Chapter 2889. There were no component units related to the Property Appraiser.

This management letter is intended solely for the information of the Property Appraiser, Board of County Commissioners and the Auditor General of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Rachlin Cohen & Holtz LLP

Fort Lauderdale, Florida
November 30, 2007

**PROPERTY APPRAISER
BROWARD COUNTY**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

PRIOR YEAR COMMENT AND STATUS

Financial Statement Findings

There were no financial statement findings reported in the fiscal year ended September 30, 2006 schedule of findings.

**PROPERTY APPRAISER
BROWARD COUNTY**

SCHEDULE OF FINDINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

CURRENT YEAR COMMENTS AND RECOMMENDATIONS

None.